

Exhibit No. 5Date 4-12-13House Bill 454 - Please Pass it after deleting Section 4.Bill No. HB 454

Section 4 of House Bill 454 irreparably damages your senior citizens, those that have served your state, county and local governments. Those retirees worked for the people of this state for 20 or 30 or more years, always with the guarantee that they would be provided a pension. Oftentimes, that pension was a principal reason for the employees to remain, because the legislature often denied them a pay raise. And an important part of that pension was what the legislature itself said was our "guaranteed" annual benefit allowance, the GABA. By greatly reducing the GABA, Section 4 of this bill does not try to fix the retirement systems by having everyone in the state pay, but strikes directly at a specific part of our population, the senior citizens who worked for the state, counties or cities for decades.

We support HB 454 and the efforts to amortize the retirement systems. We are concerned that HB 454 was amended in the House to include Section 4, which slashes the GABA for current retirees. We encourage passage of HB 454 after eliminating Section 4. Current retirees will be directly hurt if that Section remains, as they planned their retirements on the belief that Montana would keep its financial commitments to them.

Please delete Section 4 from the bill. Otherwise, this legislature will take away the only cost of living increase that your public retirees have. It has been promised to them for years. Although the legislature called it a "guaranteed" annual benefit, Section 4 will all but take it away. If someone says that taking it is only temporary, that's just not true. It will require more money to be put into the system than this bill provides to fix it. And the legislature does not have a good record of taking something away temporarily. Once a benefit is taken away, it will almost certainly stay taken away.

Montana has had half-billion dollar surpluses for several years, but didn't take steps to fund the retirement systems. While they're not funded, please don't talk about a surplus - don't think about \$400 tax rebates. Fix the systems, but do not fix them on the backs of the public retirees. Your retirees chose to serve our State through public service, but did not sign up to bear the burden of fixing a budget deficit they did not cause.

The GABA is part of our pension, an important part of it. As it stands now, HB 454 guarantees that, in less than 30 years, our pensions will be less than one-half of what they would be if the GABA remains as is. Please consider this: if you take the GABA, or any part of it, away from your retirees who worked for it for years, what part of our pensions won't you take away? Both your retirees and your present public employees want to know, and your votes on Section 4 of this bill will reveal your answer to the question.

Signed by the following retired State employees:



Stephen F. Garrison



Sandra Straehl



Dick W. Turner

The following retired State employees, who can't attend this hearing, have asked to have their names included on this testimony:

David Dreher
James Currie
Dennis Shober

Diane Tordale
Lyle Manley
Patricia Saindon

Mary Jean Shober
Mary Spaulding
Cary Spaulding

Bill Cloud
Linda Currie

TOM WEISS



Lyle Manley